

A photograph showing two men in suits walking away from the camera through a series of large, light-colored stone columns. The columns form a colonnade that leads towards a modern building with large windows in the background. The word "PIONEERING" is overlaid in large, bold, black capital letters across the center of the image.

PIONEERING

As Amer Sports conducted its search to identify the optimal North America headquarters for its winter and outdoor brands, company vision and culture played a pivotal role in Amer's decision to choose Ogden, Utah.

Amer Sports is the world's largest sports equipment company, with brands ranging from Wilson and Precor to Atomic, Suunto, Salomon, Mavic and numerous others. In the first quarter of 2007, the company announced a plan to consolidate its three leading winter and outdoor brands – Atomic, Suunto and Salomon – into the new Winter and Outdoor Americas Division in its Ogden headquarters location to establish synergy and economic efficiencies across the three brands, and to create a dynamic new image.

"It was extremely high on our priority list to find the best fit for our winter and outdoor culture," says Mike Dowse, general manager of the company's newly created Amer Sports Winter & Outdoor Americas division. "Part of our vision is to be pioneers as opposed to settlers, so we wanted to be in a city and a state that were in the process of becoming global players in the winter and outdoor recreation world. Moving to Ogden really allows us to be pioneers."

Dowse points to a powerful vision his company shares with both Ogden Mayor Matthew Godfrey and Utah Governor Jon Huntsman "In the final analysis, we share the mayor's vision of building Ogden into the epicenter of outdoor recreation that it is becoming, and the Governor's vision of the state becoming a hub for the larger outdoor industry, nationally and globally," he says. "We wanted to be a part of making that a reality for Ogden and for Utah."

<SHARED>VISION

UTAH AS A GLOBAL HEADQUARTERS

WHY NOT UTAH?

Amer Sports' move to Utah underscored the reality that the state is rapidly becoming a prime company headquarters destination for leading companies in key industries.

"There is presently a fundamental shift occurring in Utah," says Huntsman. "For many years, this was a place to which companies would expand by moving divisions; now we're seeing a strong trend toward them moving headquarters here."

"There is no better place to operate a business than Utah," says Scott Anderson, president and CEO of Zions Bank, Utah's largest locally headquartered financial institution. "Among Utah's strengths are a strong workforce, great institutions of higher education, a vibrant community, a business-friendly governor and legislature—and there is no better place to hike, ski, bike and play in the country. It has been Zions Bank's home for more than 130 years and has proven to be the ideal place to live, work and raise a family."

According to Jason Perry, executive director of the Utah Governor's Office of Economic Development (GOED), "Not long ago, people used to see the state's growth and ask, 'Why Utah?' But as awareness grows about the many extraordinary opportunities here—natural resources, recreational experiences, the talent that's here, the technologies being developed, people are starting to ask, 'Why not Utah?' This is a place that needs to be considered as a leading candidate to grow or move a business."

DYNAMISM

Governor Huntsman attributes much of this development to the state's vibrant, dynamic economy. According to the U.S. Census Bureau, Utah's 2006 job growth rate of 5.2 percent was the second highest in the United States. At the same time, the state also had the second lowest 2006 unemployment rate, 3.3 percent. By the end of Q1 2007, Utah's unemployment rate had fallen to 2.4 percent, compared with a national rate of 4.4 percent.

The statistics and accomplishments may be impressive, but they don't tell the entire story. Governor Huntsman refers to a significant intangible that happens from Wall Street to Main Street, and in the national and global marketplace. "I refer to this phenomenon simply as 'buzz'—the sense that something exciting and significant is happening in a place or in an economy," says Huntsman. "There is an undeniable buzz about Utah right now."

The Governor believes there is a connection between Utah's current buzz and the fact that powerhouse companies such as Rossignol and Amer Sports are moving their headquarters to the state. "You start seeing Utah in the travel and business sections of the world's top publications as a business and tourism destination, and the interest in the state intensifies. And that's kind of where we're at now. We're getting interest from world-class companies, and we're knocking on the door of 20 million tourism visitors a year. The revenue this brings into our businesses and schools is hugely consequential."

In addition, the 2007 State New Economy Index, a major study performed by the Ewing Marion Kauffman Foundation, ranked Utah the number one U.S. state for “Economic Dynamism”—a measure of the number of per capita jobs created in fast-growing “gazelle” companies, Inc. 500 and Deloitte Technology Fast 500 companies, patents issued and other leading and entrepreneurial and economic indicators.

“I would rather be number one for dynamism than for any other category,” says Governor Huntsman. “Dynamism suggests that something truly exciting is happening and percolating in our economy and business environment. People are excited, and there’s creative entrepreneurship taking place. That’s dynamism, and that’s exactly where Utah is today.”

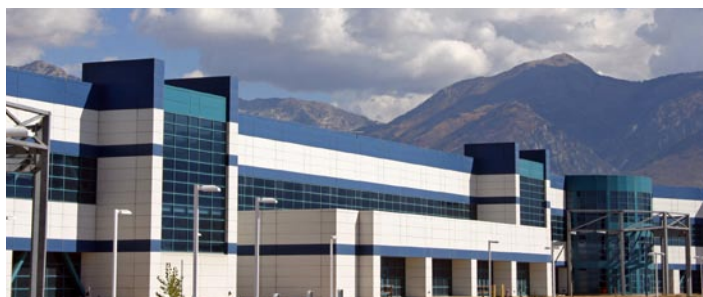
ENTREPRENEURIAL COLLABORATION

One of the most powerful factors in Utah’s economic and entrepreneurial rise is collaborative efforts between Utah organizations in business, education and government with other organizations in and outside the state. This collaboration often extends to competitors, in the spirit of “coopetition,” an expression coined by the late Utah entrepreneurial legend Ray Noorda—who led Novell and The Canopy Group to prominence—to denote competitors working toward common goals that expand the market, even as they vie for market share.

During the past several decades, collaboration has led to global prominence for the state in key areas of finance, such as the industrial bank marketplace; outdoor retail, from skiing to mountain biking; tourism and film; aerospace and composites; and a variety of information technology and life science areas. (See Reason One feature in this magazine.)

Utah’s innovative entrepreneurial ventures run the gamut from the proverbial garage start-up to large-scale, capital-intensive manufacturing organizations. Buttressed by strong government support, Lehi-based IM Flash Technologies is the Beehive State’s most significant current collaborative effort—and one of the world’s most ambitious entrepreneurial projects.

The collaborative effort between industry giants Intel and Micron Technology is designed to leverage the strengths and competitive advantages of both organizations to establish global leadership in the rapidly growing, multi-billion-dollar NAND Flash memory market for handheld communications devices, consumer electronics—from cameras to iPods—and remov-



IM FLASH TECHNOLOGIES FACILITY

CNBC selected Utah as #3 in “America’s Top States for Business”

able storage. NAND Flash memory products are stable, re-writeable devices that retain memory even when the power is turned off.

Company leaders credit strategic incentives and policy from Utah government leaders for helping establish a strong foundation for the project.

“We appreciate the support of Utah’s state and local governments and their commitment to creating and sustaining a competitive business environment here,” says Rod Morgan, CEO of IM Flash-Micron. “The incentives and our strategic relationship with the State of Utah position us for continued success.”

IM Flash management anticipates that the massive 2.3 million-square-foot Lehi facility will require 11.25 million construction hours to complete, and use 225,000 cubic yards of concrete, equivalent to approximately 863 miles of sidewalk. Upon completion, it will house 1,850 employees, with a projected average salary of \$50,000, far above Utah County’s median salary—and an aggregate of \$1 billion in the next 10 years.

The partnership plans to invest more than \$3 billion to complete the facility and for chip manufacturing and other start-up costs, constituting the largest single project investment in Utah history.

The project’s benefits extend beyond the direct economic benefits. “This project is a tremendous accelerator for Utah’s economy, with powerful multiplier effects from more than 15 supplier and complementary companies either starting up or relocating to be near the IM Flash ecosystem,” says GOED’s Perry.

Since it was launched in 2006, the collaboration has yielded remarkable direct success. “In only one year, Micron and Intel have developed the industry’s leading NAND flash memory multi-level cell product and aggressively ramped a factory network that is delivering today for our customers,” says Micron COO Mark Durcan.

“Intel and Micron were the first in the industry to introduce 50nm SLC NAND samples last July, and developing the industry’s most advanced 50nm MLC architecture is a further proof point to the strength of this development and manufacturing relationship,” adds Intel Vice President Randy Wilhelm, GM for the NAND Products Group.

In April 2007, IM Flash received an Economic Development Deal of the Year (EDDY) High Honor award from Business Facilities as one of the nation’s outstanding economic development collaborations between state agencies and private companies.

QUALITY WORKFORCE

Another significant ongoing trend in Utah’s development into a headquarters center is the state’s strong and growing workforce, the nation’s youngest and among its healthiest, best-educated and tech-savvy.

“Many times, companies will open a division in Utah, have great experience due to the workforce, and see it as a place to move headquarters,” says Perry, president and CEO of the Economic Development Corporation of Utah (EDC Utah).



“For many years, this was a place to which companies would expand by moving divisions; now we’re seeing a strong trend toward them moving headquarters here.”

Governor Jon Huntsman



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According to the U.S. Census Bureau, Utah enjoys a young, indigenous-growth labor pool, driven by the highest birthrate and youngest median age in the nation. The state also boasts the nation's highest literacy rate and ranks second for the percentage of students that finish high school. Utah also ranks first in the U.S. for PC penetration, with a personal computer in 74.1 percent of all households, according to a 2005 U.S. Census Bureau study. Additionally, the state is one of the most multilingual in the nation, greatly enhancing a company's ability to compete on the global stage.

The most recent edition (2005) of the United Health Foundation's America's Health Rankings recognized Utah as the fourth-healthiest U.S. state, with the lowest percentage of smokers and lowest incidence of cancer-related deaths.

With one of the most consistently low unemployment rates in the nation—3.3 percent in 2006, second-lowest in the U.S.—and had fallen to 2.5 percent in May, the lowest rate in the state's history.

Another workforce intangible contributes to highly tangible results. "The satisfaction level of the people is extraordinarily high in Utah," says Perry. "People want to have a life after their work. After a long day, it's great to have outdoor recreation and cultural experiences to turn to. These contribute to overall worker quality of life, which contributes to consistent productivity, job satisfaction and retention."

In the ultimate measure of success, adds Edwards, "Many companies say they can't share data, but tell us they know pretty conclusively that the Utah workforce is up to 30 percent more productive than offices in many other locations."



In Utah, it's astoundingly simple to access the governor, legislative and business leaders all in one place. Ideas get assimilated into an integrated strategic plan with the ability to execute it.

Susan Johnson
CEO, Futura Industries

The Obvious— and Not-So-Obvious— Advantages of a Utah Headquarters

FUTURA INDUSTRIES, SUSAN JOHNSON, CEO

Talk with Susan Johnson, CEO of Futura Industries, about what makes Utah a great business headquarters, and she rattles off a long list of reasons – the ones that seem to punctuate so many business-in-Utah discussions. Futura is a leading manufacturer of aluminum extrusions and components. The company has been named a 2007 Work/Life Award Recipient by the state Department of Workforce Services, and by the Manufacturing Extension Partnership as 2006 "Manufacturer of the Year."

THE OBVIOUS

Take the state's workforce. "Labor has always been an advantage for us here in Utah," says Johnson. "We moved here from Oregon, and the right-to-work, non-union environment was important to us." High levels of education and language ability are also advantages that benefit Futura and many other Utah employers. These characteristics of Utah's workers have helped Futura maintain a 2.2-percent annual turnover rate several years running – which also benefits employees and the economy, and reflects the state's record-low unemployment rate.

Transportation and distribution capabilities also boost Utah companies. "Utah provides amazing strategic advantages," says Johnson. "We sell all over the world, and from a transportation and logistics standpoint, Utah's central location is ideal." For example, the company ships to one customer's 17 just-in-time assembly plants on a daily basis. "We can easily and economically ship anywhere in the US, Canada and Mexico from our location here," asserts Johnson. "It's a lean manufacturing world, and we're competing with China – but competing well."

THE NOT-SO-OBVIOUS

Other significant Utah advantages are not so obvious. "Utah is a very compact place," says Johnson. "Ninety percent of the population lives within a 45-minute drive of almost all the key leaders and decision makers. That is an astounding advantage over other states, where you have to get on a plane or drive for hours to get access to those leaders."

Johnson points out that alignment is crucial for an economy to move ahead in a productive way. "In Utah, it's astoundingly simple to access the governor, legislative and business leaders all in one place. Ideas get assimilated into an integrated strategic plan with the ability to execute it. People get on the same wavelength. The legislative agenda gets aligned with the business agenda. It's amazing – things happen!" Johnson has thought hard about how Utah compares to other states on this core issue: "I don't think there is another state like us."

Johnson also likes to address what some characterize as Utah's "closed, mysterious" social environment: "People outside the state ask me, 'Isn't it really weird – you're a woman and a CEO working in that environment?'" These discussions have crystallized another of Utah's hidden competitive gems for this veteran CEO. "I've come to realize that what this culture really prizes is accomplishment," she says. "Utahns respect intelligent use of intelligence. It doesn't matter if you are purple with green polka-dots. They respect hard work and accomplishment much more than 'self-actualization.'"

This approach translates into not only a high achieving culture and economy, but one that is highly progressive with respect to tolerance, opportunity and promotion. "I've worked as a professional woman in other supposedly progressive states, and Utah is ten times more progressive on those issues. This is not a bleeding-heart environment tipped too much toward one side or the other."



She doesn't read healthcare reports
from sources such as Dartmouth Medical School
or the Kaiser Family Foundation.
But she still benefits from their findings.

Experts speak highly of Intermountain. The real winners are the people of Utah.

Healthcare scholars are continually looking for answers. And they're continually finding them at Intermountain Healthcare. Dartmouth Medical School, the Kaiser Family Foundation, Verispan and others have recognized Intermountain's talents for delivering exceptional quality at lower costs. But those who really benefit are the residents of Utah.

Verispan ranks Intermountain Healthcare at the top.

Verispan has again named Intermountain Healthcare as one of the nation's top integrated health systems. The study examined 566 health systems. Intermountain has placed either first or second on the list for seven consecutive years.

Intermountain recognized for technology. Twice.

Intermountain Healthcare was named one of the nation's 100 most technologically savvy systems by Hospitals & Health Networks. Also, *Information Week* rated

Intermountain the second highest healthcare organization in the country for technology.

Dartmouth Medical School praises Mayo and Intermountain.

A Dartmouth Medical School study estimated Medicare *could have reduced* its costs by 15 percent if all hospitals operated like the Mayo Clinic in Rochester, Minnesota. It projected an even larger annual savings of 32 percent if all hospitals operated like Intermountain Healthcare. That's enough, by some estimates, to insure every uninsured American.

ABC World News profiles Intermountain Healthcare.

On October 17, Intermountain Healthcare was profiled by *ABC World News*. Their conclusion? Intermountain is "not just saving lives by doing it right the first time, they're also saving money."

Dartmouth Medical School estimated Medicare could save 32% annually if all hospitals operated like Intermountain Healthcare. That's enough to insure every uninsured American.

Similar reports on Intermountain Healthcare's high quality, lower costs, and use of technology have been published by:

ECONOMISTS, INC.
NEWSWEEK
BUSINESS WEEK
U.S. NEWS & WORLD REPORT
THE BOSTON GLOBE
THE LOS ANGELES TIMES

Kaiser Family Foundation says Utah has lower rates.

According to the Kaiser Family Foundation, Utah has the lowest rates for individual health insurance, and the fourth lowest rates for families despite having the largest family size in the nation.

USA Today report praises LDS Hospital.

A story in *USA Today* says Intermountain's "LDS Hospital in Salt Lake City has reduced adverse drug events by nearly two-thirds since 1996. Patients who received computer-recommended medications had shorter stays."



The bottom line: higher quality, lower cost.

At Intermountain Healthcare, we certainly don't have all the answers. But, the people in Utah receive excellent medical care at some of the lowest prices in the nation. And that's something every person who lives in Utah can appreciate.

The findings reported from Business Week, Economist, Inc., Hospitals & Health Networks, Information Week, U.S. News & World Report, Newsweek, ABC World News, USA Today, The Boston Globe and The Los Angeles Times above are provided for informational purposes only. Intermountain is not sponsored by or otherwise affiliated with these media outlets.



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#2 “Inventor Patents”
#3 “E-Gov’t”
#4 “Fastest Growing Firms”

Kauffman 2007 State New Economy Index

Another significant benefit for indigenous Utah companies or those relocating their headquarters to the state is the increasing depth of management talent. “In recent years, we’ve been seeing a depth of management talent developing in the state, which makes Utah a different environment than it was before,” says Huntsman. “It makes companies see this as a premier business destination, not just another place to go in search of cheap labor.”

Utah’s workforce is a proven foundation on which companies are building global competitiveness and enhanced bottom line results.

STRATEGIC LOCATION

Regardless of a company’s destination, cargo or mode of transport, Utah’s transportation infrastructure is an exceptional business and headquarters advantage.

The state’s long-enduring moniker “the crossroads of the West” has taken on enhanced significance as transportation and delivery have become increasingly strategic components for competing in world markets. Whether shipping goods for just-in-time assembly, importing and exporting, or getting workers efficiently to the job, Utah’s location and infrastructure deliver world-class performance.

“Even in a globalizing world with Internet commerce, it still matters where you are located,” says Lew Cramer, Executive Director of the World Trade Center-Utah. “If you’re shipping products around the region or around the world, it matters where you are.”

With more than 23,000 registered intrastate and interstate motor freight carriers and an efficient, relatively un-congested system of highways leading to all major western U.S. business destinations, Utah’s road transport is extraordinarily effective. The congestion on Utah roadways is further reduced by a growing, highly efficient mass transit system. Salt Lake International Airport is located within a 2.5-hour flight of half the U.S. population and Delta runs a non-stop flight to Paris daily. The state is also a superb interline switching route for rail shipments to the West Coast and to Eastern and Midwestern terminals, without back-hauling, including second-morning service to 90 percent of the Western United States.

“Utah provides amazing strategic advantages,” says Susan Johnson, CEO of Futura Industries in Clearfield, Utah (see sidebar in this feature). “We sell all over the world, and from a transportation and logistics standpoint, Utah’s central location is ideal.”

For example, Futura ships to one customer’s 17 just-in-time assembly plants on a daily basis. “We can easily and economically ship anywhere in the U.S., Canada and Mexico from our location here,” asserts Johnson. “It’s a lean manufacturing world, and we’re competing with China—but competing well.”

LOOKING FORWARD

Considering Utah’s extraordinary momentum and the aforementioned strategic advantages, Governor Huntsman is convinced that Utah, long recognized as a global center for technological, scientific and business innovation, will begin to see its entrepreneurial companies grow into industry giants.

“There is no question in my mind that companies launched here in recent years, and that will be launched in the next few years, will grow up into world leaders in life sciences, environmental services, information technology, aerospace and composites, outdoor recreation and other areas,” he says. “Now we’re seeing a lot of early activity, but hang on for the ride because in the next 20 years you’re going to see them growing up into world leaders that are housed and headquartered here in Utah.”

International Wintersports Epicenter

AMER SPORT, MIKE DOWSE, GENERAL MANAGER

In a move that helped solidify the status of Ogden, Utah as a headquarters destination for the global wintersports industry, in 2007, Amer Sports Corporation announced its decision to move the North American headquarters of three of its leading brands—Salomon, Atomic and Suunto—to Ogden.

“The beauty of this move is that it’s really a win-win situation: it’s great for us, and for both Utah and Ogden, in terms of job creation and having an industry leader here,” says Mike Dowse, general manager of Amer Sport North America. “It’s a win for our shareholders, because of the cost structure and the enlightened incentives, and for our employees, because this is just such an extraordinary place to live, work and recreate.”

The Amer Sports leadership also felt there was symbolic power in the company’s move to the Wasatch Front, with its world-famous powder snow, and in its decision to renovate a classic old Ogden landmark to house its facilities.

“If you combine our Solomon and Atomic brands, we are the largest winter sports company in the world,” he says. “We felt it was a great fit: the leading winter sports company moving into the state with the greatest snow on earth.”

In Ogden, Amer Sport is moving into a historic building, the old American Can Factory. “We’re taking a neat old historic building and renovating it,” says Dowse. “We thought this was a good way to participate in the renaissance of Ogden, and also in trying to give back to the environment.”

Dowse believes that being in Utah enables Amer Sport to participate in the creation of significant trends in the winter sports arena. “Looking at the leading trends in the outdoor industry—in particular skiing and other winter sports—there’s a movement toward the West, and especially Utah. Being here allows us to be a lot closer to our consumers and what matters to them, and take advantage of their insights regarding both aesthetics and technology. For skiing and snowboarding alike, we feel Utah is the premier epicenter and hot point.”

The three powerful Amer Sports brands are the most recent of a host of leading brands to establish operations in the Utah mountain community that a March 2007 feature in Transworld Business maintained “is fast becoming the hub of the winter sports industry.” Other brands sporting Ogden headquarters include Descente North America, Goode Ski Technologies, Kahuna Creations, Scott USA and Snowsports Interactive.

Just over the mountain in Park city in 2006, Quiksilver unveiled its Mountain Center North American Headquarters for Rossignol, together with a variety of functions for its Quiksilver, Roxy, DC, Lib Tech and Gnu brands.

“It is exciting to watch the continuing emergence of Utah as a world center of industry and innovation in wintersport and other areas of the outdoor recreation industry,” says Jason Perry, executive director of the Utah Governor’s Office of Economic Development. “Driven by Amer Sports, Quiksilver and other top global brands, the Utah momentum will continue to accelerate.”

“Part of our vision is to be pioneers instead of settlers...

Moving to Ogden really allows us to be pioneers.”

Mike Dowse
general manager, Amer Sports





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“WASATCH
VENTURE FUND
SHARED OUR
VISION WHEN
OTHER INVESTORS
FAILED TO
RECOGNIZE OUR
POTENTIAL.”



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